

Pocket PC: TAB Overview

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Pocket PC

http://www.microsoft.com/pocketpc

Agenda

- What this presentation is (not)
 - What it probably should be ain't what it is...
- Mobile Devices Division Snapshot
- Pocket PC Quick History
- Pocket PC 2000 Goals/Features
- Pocket PC Futures
- Wireless Technologies Landscape
- Competition
- Pocket PC Key Issues/Challenges

MDD Snapshot

Paul Gross, SVP Collaboration
& Mobility Group

Ben Waldman, VP Mobile
Devices Division

- Feature Phone, Robert Ohara
 - "Tiberius", "Attila", "Genghis"
- Smart Phone, Bill Vertheim
 - "Stinger"
- Pocket PC, Kevin Shields
 - "Rapier", "Merlin", "Peregrine"
- Marketing, Rogers Weed

Peregrine

Pocket PC History

- 1996 Palm Pilot (post Newton)
- 1998 Palm-sized PC 1.0 "Gryphon", Palm III
- 1999 Ps/PC 2.0 "Wyvern", Palm V & Vx
- 2000/January Palm Rules
 - 75%+ market (~3.5m units), 90% of reviews
- 2000/April Pocket PC 2000 "Rapier"
 - Winning ~85% of reviews
- PDA Category with strong growth forecasts
 - FY03 - 26m units (11m wireless)

Rapier Strategy

As good as Palm + a whole lot more...

1. Simple PIM, UI & Sync (parity with Palm)
 - Simple, simple, simple, FAST, Robust, Simple.
2. Extend beyond Palm OS (Feature set)
 - Extended enterprise story (pExcel, pWord, etc.)
 - Extended consumer story (Media, Games, etc.)
 - Relegate Palm to 'organizer' status
3. Foster hardware innovation
4. Win reviews, gain market share

Pebbletime

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1. Simple PIM, UI & Sync (parity with Palm)
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Rapier Features

- **New shell model**
 - Ok with no cancel
 - Start bar on top
 - Menus on bottom
- **New web look & feel**
 - Flat look & feel
 - Pages vs. dialogs
 - Single tap
- **Updated pOutlook**
 - New list and card views
 - Design consistency
 - MAP4 Support
- **Pocket Internet Explorer**
 - HTML 3.2, XML, SSL, etc.
- **Integrated Notes**
 - View & link
- **Pocket Word & Excel**
- **Media Player**
 - MP3 & WMA
- **eBook Reader**
 - ClearType Enabled
- **Pocket Streets**
- **Pocket Money**
- **Greatly Improved Sync**

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 - Voice & ink
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 - ClearType Enabled
- **Pocket Streets**
- **Pocket Money**
- **Greatly improved Sync**

Merlin (Pocket PC 2001)

Goal: Sustain P/PC through xMas 2001

- H/W innovation ala Palm (min s/w change)
- Drive 3rd party innovation
- Low hanging wireless plumbing

Schedule:

- Beta Q4/2000
- RTM Q1/2001

pebbletime

Merlin Features

- Integrated Radio 'Support'
 - Signal strength, battery indicators
- Streamlined connect/disconnect
 - Make circuit data more palatable
- Extend mail transports (hotmail/ie/sms)
- Support WAP/WML (3rd party app)
- Limited Bluetooth support (phone as modem)
- 3rd party server sync (XTND)
- Bug fixes
- OEMs can build in voice (not native)

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Peregrine (Pocket PC 2002)

Goal: The best wireless PDA

- Complete redesign for wireless
 - Wholesale rethinking of product
- Assure complete end user experience
 - MS hardware design
- Dominate reviews, win Carriers, achieve > 50% market share

Schedule

- Beta/Trials Q4 2001
- RTM Q1 2002

Peregrine Vision

goes with me

keeps me with others

at my side

things need to know

the in my spare time

reflects my



Peregrine Vision

goes with me

keeps me with others

my life

things need to know



me in my space time

reflects my



Peregrine Features

$t = 1$ 1 2 3 4 5 6 7 8 9 10

- Blue tooth required Rich application/standards support
- Support 802.11 GSM (GPRS), CDMA (wCDMA), EDGE? 
- Assume packet data, push functionality 

1. Introduction

- Headset as design point, assume limited calls
- Support both "one body" and "two body"

[illegible]

- Very rich email solution - best mobile Exchange client
- FAST (QOS) and SMART (COS)
- HUSKY mail migration

Peregrine Features

• **Mass Messaging**

- Blue tooth required Rich application/standards support
- Support 802.11 GSM (GPRS) CDMA (wCDMA) EDGE? GPRS?
- Assume packet data, push functionality

• **Headset Support**

- Headset as design point, assume limited calls
- Support both "one body" and "two body"

• **Great Email Messaging**

- Very rich email solution ~ best mobile Exchange client
- FAST (QOS) and SMART (COS)
- USSD, mail integration

Peregrine Features

Core Features

- Blue tooth required Rich application/standards support
- Support 802.11 GSM (GPRS) CDMA (wCDMA) EDGE? GPRS?
- Assume packet data, push functionality

Required Features

- Headset as design point, assume limited calls
- Support both "one body" and "two body"

Great to have messaging

- Very rich email solution - best mobile Exchange client
- FAST (QOS) and SMART (COS)
- USSD, mail, vibration

Wireless Technologies

- **Reference Handouts**

Competition: Sharp



Strengths: Strong JPN brand (Zaurus), stunning screen technologies, ability to innovate rapidly, broad engineering expertise, wireless experience (PHS)

Vulnerabilities: Poor dev tools, poor enterprise story, no history of PC experience, poor app. dev.

Competition: Sharp



Strengths: Strong JPN brand (Zaurus), stunning screen technologies, ability to innovate rapidly, broad engineering expertise, wireless experience (PHS)

Vulnerabilities: Poor dev tools, poor enterprise story, no hit at 5:20, no experience, no experience

Competition: Linux



Strengths: Large dev community OEM interest (Compaq, et. al.), most of the protocols & plumbing done, smaller efforts lend well to open source?

Vulnerabilities: No real app suite (yet), limited hardware options, no wireless experience limited investment

Competition: RIM



Strengths Wireless experience, carrier relationships,
simple/effective UI, good/great input, growing
enterprise story, good/improving OOB

Vulnerabilities Limited platform, weak wide bandwidth
expertise, high unit cost, no globalization story

Competition: Palm



Palm Treo 650
\$449.99



Palm Treo 750
\$549.99



Palm Treo 700
\$449.99



Palm Treo 750
\$549.99



Palm Treo 750
\$549.99

Strengths: Position/momentum, broad range with low cost, huge 3rd party innovation, market cap, understands wireless future, focused & aggressive

Vulnerabilities: Limited platform, weak enterprise story, ability to innovate software? being a platform is NOT easy, but OEM distractions?

Competition: Palm, cont.



UbiNetics GDA 100
Palm V GSM Sled
~\$300



Rand McNally Streetfinder
GPS for Palm V/Vx
\$199

Competition: Symbian

- Partnership between Psion, Nokia, Ericsson, Motorola, and Panasonic
- Based on Psion EPOC OS products in 2000 (Ericsson Quartz Q2.01)

Strengths: Wireless & PDA experience, aligned with Sun/Java, good/trusted brand names, aggressive

Vulnerabilities: Lots of cooks with conflicting agendas, confusing technology mix, limited experience in palm

Form Factor

How we make money...

- Selling services per user
- One customer = 1 user
- 300,000 users
 - Past: One time CAL - every 18 months
 - Future: Recurring SAL every 1 month
- Existing - Microsoft is the only one for SAL market
- Must grow service offerings over time
 - Hence need for richer clients
 - Location based info, streaming media, etc.
- Microsoft's strength
 - Leveraging MS asset, established model (phone.com) shared risk/reward

Competition: Palm



Palm Treo 650
\$499.99



Palm Treo 750
\$599.99



Palm Treo 700
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Palm Treo 750
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Strengths: Position/momentum, broad range with low cost, huge 3rd party innovation, market cap, understands wireless future, focused & aggressive

Vulnerabilities: Limited platform, weak enterprise story, ability to innovate software? being a platform is NOT easy, MULTIPLE distractions!

Competition: Symbian

- Partnership between Psion, Nokia, Ericsson, Motorola, and Panasonic
- Based on Psion EPOC OS products in 2000 (Ericsson Quartz Q2.01)

Strengths: Wireless & PDA experience, aligned with Sun/Java, good/trusted brand names, aggressive

Vulnerabilities: Lots of cooks with conflicting agendas, confusing technology mix, limited experience in palm form factor

How we make money...

- Selling hardware (e.g. phone)
- Software license fee - \$3 per user
2005 - 2006
- Past: One time CAL - every 18 months
- Future: Recurring SAL every 1 month
- Exchange & streaming is becoming a
key revenue stream
- Must grow service offerings over time
 - Hence need for richer clients
- Location based info, streaming media, etc.
- Financial services
 - Leveraging MS asset, established model (phone.com) shared risk/reward

How we make money...

- Selling 10,000 licenses
- One-time fee of \$100 per user
2,000 licenses
- Past: One-time CAL - every 18 months
- Future: Recurring SAL every 12 months
- Exchange program 35 to 30% net
for 100,000 licenses
- Must grow service offerings over time
 - Hence need for richer clients
- Location based info, streaming media, etc.
- Selling 10,000 licenses
- Leveraging MS asset, established model
(phone.com) shared risk/reward

What markets we target

• Customer: Who buys our products?

1. Carrier: Wireless operators
 - Carriers are also distributors
2. Enterprise: Organizations deploying solutions
3. User: Individuals

• Users: Who uses our products?

1. Mobile Worker
 - Core vs. fringe segmentations
2. Consumer
 - Particularly Mobile Worker as a consumer

Pocket PC Key Challenges

1. Hardware: Value of OEMs?

- **Challenges with limited PC power**
 - Who owns the portal?
 - OEMs want service revenue (also)
- **Difficulties with OEMs to date**
 - Lack of units in channel, uninspired designs
 - Poor commitment (Compaq & Linux) conflicting agendas
 - Multiple CPUs, joint development, 4x effort to release, very inflexible dates, updates hard
- **Differentiation - Good!**
 - Optimized technology (ClearType, performance, etc.)
 - Fostering 3rd party innovation (accessories)

Pocket PC Key Challenges

2. Platform or Product?

- Not succeeding as a platform
 - 5% market share (growing)
 - OEM/vertical innovation stifled from lack of 'smorgasbord' approach
- Product and not due to platform success
- Driving partners to competitors
 - OEMs want to commoditize the software platform

Pocket PC Key Challenges

2. Platform or Product?

- Not succeeding as either
 - 5% market share (growing)
 - OEM/vertical innovation stifled from lack of 'smorgasbord' approach
- Product quid pro quo to platform success?
- Driving partners to competitors
 - OEMs want to commoditize the software platform

Pocket PC Key Challenges

3. Business Model/Justification

- Hard to quantify Pocket PC as driver of SAL licenses
- Existence based largely on the notion of "extended services" in the future
 - What are those services exactly?
- Without services revenue it is a major money losing proposition today

Pocket PC Key Challenges

4. Release inflexibility

- Lots of effort to release a version
- Always connected implies on the fly updates
- Should we be going to web applets/xml/caching model?
- Inflexible UI design (pixel perfection as a requirement)
 - Leveraging AUI
 - Ex: Need for landscape, Stinger UI duplication, etc.

petreogtime

**The Peanut Gallery
Is Now Open...**

Postcard by (illegible)